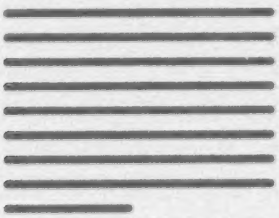
Strategic Action Plan

2014 – 2019



Northwest Territories Finance

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Minister's Message

It is my pleasure to introduce the Department of Finance 2014 – 2019 Strategic Action Plan. This plan provides multi-year direction for the Department. Progress towards the priorities, goals, objectives, actions and desired outcomes will be measured in the Department's annual business plan, and this plan will also feed into the business planning process. The contents of this plan continue to support the goals and priorities of the 17th Legislative Assembly and will be updated to reflect any significant changes once the 18th Legislative Assembly is in place.

The Northwest Territories (NWT) is one of the best managed jurisdictions in Canada when it comes to fiscal discipline and expenditure management. The Government of the Northwest Territories (GNWT) is committed to controlling expenditure growth while focusing on investments that support the goals and priorities of each Legislative Assembly. Responsible spending and prudent borrowing and debt management is guided by our commitment to the *Fiscal Responsibility Policy*.

An important vote of confidence reaffirming we are on the right track is the credit rating provided by Moody's of Aa1. A strong credit rating is not just about lower debt costs, it also signals a fiscally strong and stable environment for external investment.

On April 1, 2014 the GNWT became the steward of the NWT lands, waters, and non-renewable resources and will share the revenues from these resources with federal and Aboriginal Governments. Recognizing that revenues from non-renewable resources will not last forever, the GNWT is committed to transforming non-renewable resource revenues into a legacy of infrastructure and savings to maximize the benefits of these resources for NWT residents today and in the future.

In order to achieve this goal the GNWT must undertake actions such as borrowing money to make investments in critically needed infrastructure that will benefit current and future generations and investing in the NWT Heritage Fund to ensure a portion of resource revenues are available for future generations. Withdrawals from the Heritage Fund can only begin after 20 years and cannot exceed 5 per cent of the balance while the principal of the fund can never be withdrawn.

As a central agency, Finance's role is multi-faceted: it provides advice and support to other GNWT departments, public agencies and the Financial Management Board. Finance plays a leadership role in ensuring the Government has the resources to deliver the programs, services and infrastructure to NWT residents. We are responsible for ensuring that financial results are reported to the public in a clear and timely manner, so that decision makers can be held accountable. We also provide services to the public through departmental operations, through regulation of the NWT insurance industry, through managing and regulating liquor distribution and sales in the NWT, Liquor Enforcement and administering electricity rate subsidies.

Public awareness, involvement, participation and feedback are critical factors in ensuring that the Department operates in a transparent and accountable fashion. I encourage all residents of the NWT to read this document and to work with Department staff to develop and articulate the financial and strategic priorities of the Government.

J. Michael Miltenberger
Minister of Finance

Operational Focus

Mission Statement

To obtain, manage and control the financial resources required to support the priorities identified by the Legislative Assembly through implementation of Government of the Northwest Territories' policies and programs and ensuring effective, efficient and economical management of financial and information resources.

Principles

1. A strong focus on ethical behaviour.
2. The adoption of formal risk based management practices.
3. Improved accountability, transparency and stewardship of resources.
4. A focus on the results being achieved for the dollars spent.

Values

Integrity
We will be fair and honest in our work, respect the confidentiality of privileged information, and maintain a high standard of personal and ethical conduct.

Continuous Improvement
We will use creative new ideas and original solutions in our work, and we will continually improve business practices to ensure excellence in service to the public.

Professionalism
We will be respectful, understanding and work to the highest professional standard and level of excellence. Our work will be timely and accurate and will incorporate sound judgement.

Accountability
We will be accountable and responsible for our actions and for our contributions to the Public Service.

Operational Focus

Strategic Priorities

1. Fiscal Sustainability.
2. Modern Management.

Strategic Goals

1. Maintain a fiscal regime that facilitates economic growth while supporting social and environmental goals.
2. Provide the necessary financial information, based on sound fiscal analysis, to support Government policy development and decision making.
3. Oversee the management and protection of the Government's information resources.
4. Ensure that the programs and services delivered by Finance are responsive to client needs.
5. Maintain a financially transparent and accountable Government so that there can be public confidence in the prudence and integrity of Government operations.

Operating Environment

The fiscal reality of the Government of Northwest Territories (GNWT) is that we depend on Canada for the majority of our revenues. The Territorial Formula Financing, our main federal transfer, largely depends on provincial-local government spending and NWT population growth rates to determine growth of the transfer. The provinces are attempting to return to balanced budgets through reduced spending, and a stagnant, or declining, NWT population will slow the growth in Territorial Formula Financing and therefore total revenues. Consequently, the revenue growth rate is expected to slow to just over 2 per cent per year, on average; less than half the growth that was experienced over the last five years. Furthermore, the NWT's vast size, small and dispersed population, and challenging climate make the cost of delivering services and building infrastructure many times the value of its tax base, and therefore its ability to raise its own revenues is limited.

The net fiscal benefit from resource revenues following the transfer of jurisdiction over non-renewable resources will not change the GNWT fiscal reality. However, GNWT control over the management of NWT lands, waters and resources will provide more opportunities to strategically invest in initiatives that will generate the long-term economic, social and environmental returns that will, over time, increase the territory's self-reliance.

Although the economy has grown substantially in the last decade, it has entered a phase of low growth at a level significantly lower than the double digit growth of the last decade. The NWT economy depends on the large government sector and resource developments. However, historically linkages between the resource sector and the rest of the economy have not been strong. Notwithstanding the proposed development at the Ekati mine, the potential developments that may occur over the next few years are not large enough to replace the large diamond mines that are expected to close within the next 10 years. In the medium to long-term, this is not sustainable and the NWT population is starting to decline. This is why the GNWT has embarked on an objective to increase the NWT population by 2,000 people by the year 2019.

The uncertain economic environment is not a new challenge and the GNWT is poised, through its Land Use Sustainability Framework, Economic Development Strategy, Mineral Development Strategy, and Energy Plan, to meet these challenges with actions that support a healthy and growing business sector by addressing weaknesses in the NWT investment environment and restoring the NWT's competitive edge. Part of the solution is investment in public infrastructure – from roads and airports, to communications networks, to quality remote community housing to attract and retain skilled people.

The Government must ensure that it has adequate fiscal resources to take actions under its various economic development strategies while continuing to provide quality Government programs and services. These programs and services are needed by NWT residents to maintain and improve the quality of life in the NWT and allow residents to take advantage of opportunities as they arise. The Government must ensure it has adequate fiscal resources to provide programs and have the flexibility to deal with changing circumstances and take advantage of new developments in governance or in new technology.

Operating Environment

The Government has remained committed to a fiscal strategy that contains the growth in operating expenditures below revenue growth in order to generate operating surpluses needed for infrastructure investment. After three years of deficit budgets to mitigate the impact of the 2008 recession, the Government has returned to surplus operating budgets since 2011-12. Generating operating surpluses is crucial to tackling the large infrastructure deficit. The Government remains committed to the Fiscal Responsibility Policy debt management guidelines. These guidelines prevent borrowing to pay for programs and services, require sufficient operating surpluses to generate a minimum of fifty per cent cash to fund annual infrastructure investments and require annual debt servicing payments to remain less than five per cent of total revenues. This commitment to prudent fiscal management was a critical factor in the federal government's decision to raise the GNWT borrowing limit to $800 million.

Resource revenues from the devolution of the responsibility for public land, water and resource management will not change the fiscal strategy. The GNWT is committed to managing resource revenues for the benefit of today's and tomorrow's generations, which means that resource revenues will not be used to fund programs and services. Instead, under the fiscal framework, resource revenues will be used to invest in infrastructure, pay down debt and, contribute to the NWT Heritage Fund.

Finance made several strategic alignments through the 2014-15 budgeting process to strengthen the way government services are provided internally and to the public. The Service Innovation Strategy (SIS) is aimed at improving service delivery to NWT residents and businesses. One phase of SIS has already been implemented with the Service Inventory available on the GNWT website; while other aspects will be implemented including improved Government websites, online payment management, single contact centres and access to more services online.

Strategic alignments in support of strengthening service delivery and modern management were made by transferring portions of the Department of Human Resources (DHR) to Finance, and transferring the Bureau of Statistics (BoS) and the Program Review Office (PRO) from the Department of Executive. The transfer of the Employee Services division including regional operations, Human Resource information system (HRIS) and the help desk function was done to allow the DHR to focus on providing service and support to management while Finance can focus on transaction processing and services to employees. The HRIS team will be aligning with the System for Accountability and Management (SAM) team to form a new Informatics Shared Services (ISS) division that will implement, maintain and support both the financial and human resource information systems. This functional realignment will ensure a common shared services approach through Financial Shared Services (FSS), ISS and Employee Services functions guided by Service Partnership Agreements to achieve agreed to metrics of performance. The BoS and PRO functions were transferred to Finance to enhance the business planning function and help ensure sound fiscal management. Since the current business planning process is a resource allocation tool that links to the Governments' priorities and Main Estimates process, the functions will complement Finance in achieving our goals and objectives.

/ Action Plan

This Strategic Action Plan describes how the Department will fulfill its mission, strategic priorities, goals and objectives through an action based approach.

The pillar of this Action Plan is the Department's two strategic priorities of Fiscal Sustainability and Modern Management which have been identified as being critical to the long-term success of the Government.

Flowing from these strategic priorities are the goals, objectives, and action items that lay out the steps that will fulfill the Departments' mandate.

The Department will monitor achievements made towards accomplishing these goals and objectives and will measure results through the annual business planning process.

By working closely with other Government Departments, Public Agencies, and other stakeholders the Department intends to make a strong, effective contribution to the achievement of the goals of the 17th and 18th Legislative Assemblies.

Strategic Priorities

Fiscal Sustainability

Fiscal sustainability means that the actions we take to provide programs and services and invest in infrastructure must not exceed our ability to pay for these expenditures through the revenues we receive and the borrowing limits we are bound by. In other words, the GNWT's fiscal framework remains sustainable as long the projected revenues are sufficient to provide for the current levels of programs and services, meet our debt obligations and not exceed the federally-imposed limit on borrowing authority.

The fiscal reality is that the GNWT depends on Canada for the majority of its revenues. The main federal transfer, Territorial Formula Financing, largely depends on provincial-local government spending and NWT population growth rates to determine its growth. Both the provinces' attempts to return to balanced budgets through reduced spending, and a stagnant, or declining, NWT population will slow the growth in Territorial Formula Financing and therefore total revenues. The NWT's vast size, small and dispersed population, and challenging climate make the cost of delivering services and building infrastructure many times the value of its tax base, and therefore its ability to raise its own revenues is limited. Although the economy has grown substantially in the last decade, historically linkages between the resource sector and the rest of the economy have not been strong. The net fiscal benefit from resource revenues following the transfer of jurisdiction over non-renewable resources will not change this reality. However, GNWT control over the management of NWT lands, waters and resources will provide more opportunities to strategically invest in initiatives that will generate the long-term economic, social and environmental returns that will, over time, increase the territory's self-reliance.

On the revenue side, this will mean continuing to present tax and resource royalty policy options that strike the appropriate balance between revenue needs, economic growth, environmental sustainability and providing incentives for individuals to live and work in the NWT. This means working with other departments, governments, Aboriginal and private sector partners to develop and implement strategies that will create a future economy for the NWT that is balanced, diversified and sustainable. This will include finding opportunities to create economies of scale and lower costs through an expanded population base. It also means treating resource revenues in a manner consistent with the goals and priorities of the Legislative Assembly.

Recognizing that fiscal independence is a long-term goal, the Department will work with Canada to ensure that fiscal transfers are adequate and appropriate. While the GNWT cannot incur debt to a level where debt servicing costs are unaffordable or reduce program and service budgets, some debt, specifically that which supports infrastructure, may be required to sustain economic growth.

The Department will also work with Finance Canada to secure more flexibility to make critical infrastructure investments to support economic development through a further increase to the federally-imposed borrowing limit. The additional borrowing capacity is key to the GNWT's efforts to unlock the NWTs' tremendous economic potential through infrastructure investments such as hydro and transportation. The Department will ensure that its debt burden size is affordable by adhering to the Fiscal Responsibility Policy, which sets the annual debt servicing costs at a maximum of 5 per cent of total revenues.

Given that expenditure demands are expected to continue to outpace revenue growth, the Department will need to continue to play a leadership role in assisting decision makers to establish affordable frameworks for spending, borrowing and investment that reflect government priorities, and in assisting departments to manage their expenditure and resource requirements.

Modern Management

The GNWT is facing increasing pressure to adapt its comptrollership and management practices as a result of changes that are occurring within our business environment.

There has been a significant impact on the GNWT management environment from changes in:

- Technology: Technological change is increasing at such a rate that it is difficult to keep pace. The delivery of Government programs and services are tightly integrated and reliant on technology; modern management practices are necessary to keep up with technological change;
- Knowledge Management: resulting in the need for increased information and knowledge by decision makers to effectively manage government programs and services;

Action Plan

- Risk Based Management: analysis to assist decision makers in dealing with change and uncertainty to enable decision making;
- Public Expectations: resulting in increasing expectations with respect to transparency, accountability and program effectiveness;
- Business Relationships: as seen in the increasing complexity of the business relationships that we have with other jurisdictions, Aboriginal governments, Public/Private partnerships, or through development initiatives; and,
- Velocity of change: change is always occurring; however the speed of change is increasing rapidly.

In response to the changing business environment, the GNWT has embarked on a long-term administrative renewal initiative in support of modern management practices. Initiatives being advanced include:

1. The Service Innovation Strategy, a renewal of the original Knowledge Management Strategy (KMS). Through this renewal, the GNWT has outlined its commitment to improve the delivery of programs and services through better use of technology. The Strategy provides a renewed approach to leveraging Information and Communications (ICT) related technologies, to improve access to existing programs and services, via the use of online service delivery channels, and improved management of ICT resources.
2. Adopting a modern management approach to financial management functions. This includes:
    - Re-writing and modernizing the Financial Administration Act with corresponding changes to the Financial Administration manual, and other policies procedures and directives;
    - With a new financial information system in place, shifting focus to clustering the System for Accountability and Management (SAM) with the PeopleSoft Human Capital Management System (HCM), to better leverage both management systems to further support the Government's information, analytical, reporting, and business requirements;
    - Continuing to advance the shared service delivery model for financial processing, as well as for payroll and benefits.
3. The future management and direction of the public service. DHR has recently released a corporate human resource strategic plan for the NWTs' public service that will guide the public service towards becoming the employer of choice in the NWT.

Action Plan

Building on the modern management framework, the Department, along with other GNWT Departments, will need to continue to strengthen the existing capabilities of our public service, particularly in the areas of information management and financial administration. This will help to ensure that better decisions are made, better service is provided to clients, and effective measures and results reporting are available to the public and stakeholders.

A supporting framework of legislation, policy, information systems and skilled government staff are critical components of a modern management environment. Advancing modern management will require continued improvements to systems, policies and controls that support the reporting of integrated performance information, risk based management practices, appropriate accountabilities and an ethics and values foundation.

Enabling modern management practices within the GNWT is a long-term commitment that will require ongoing support and active departmental participation. The degree to which modern management principles become an integral part of our business culture will directly impact the ultimate success of the overarching management reforms.

Strategic Goal 1

Maintain a fiscal regime that facilitates economic growth while supporting social and environmental goals.

The GNWTs' fiscal regime is the foundation for the business of government. Key components are obtaining revenues in an economically sustainable way, controlling expenditure growth, and making responsible borrowing choices to invest for the future. This fiscal foundation is built on a *Fiscal Responsibility Policy* that guides responsible spending, borrowing and debt management.

Objectives

1.1 Provide sound fiscal planning through prudent economic and revenue forecasting to help sustain government programs, services and infrastructure over the longer term.

1.2 Decrease reliance on federal transfers through increasing own source revenues by growing the economy.

1.3 Develop a fiscal framework to strengthen the Government's long-term fiscal position.

1.4 Work with other departments to provide economic and fiscal policy advice for key sectoral strategies.

1.5 Modernize and strengthen the Government's budget process.

1.6 Ensure tax revenues due under NWT taxation legislation are assessed and collected.

Actions

1.1 Sound Fiscal Planning

Sound fiscal planning means managing expenditure growth so that it does not exceed revenue growth in order to provide operating surpluses to invest in necessary infrastructure and manage debt. This requires reliable information on future revenues and expenditures and a full assessment of the risk in the forecasts. The Department provides a five year forecast of revenues and expenditures which is used as the base of the fiscal framework.

Action 1.1.1	Provide regular revenue forecasts
Deliverable	Improved revenue forecasting (Ongoing)
Action 1.1.2	Strive to maintain annual expenditure targets
Deliverable	Increased operating surpluses for infrastructure investments (Ongoing)

1.2 Own Source Revenues

Achieving the long term goal to reduce the GNWTs' dependence on federal transfers to meet its expenditure needs means increasing own-source revenues. The potential to increase own-source revenues has been enhanced by the implementation of the Devolution final agreement. A thorough understanding of the economic linkages and interdependencies is necessary to ensure that the GNWT is not damaging its own source revenue base by hindering the ability of the NWT economy to grow and diversify in a sustainable manner.

Action 1.2.1	Examine tax and resource royalties' structures
Deliverable	Report on the evaluation of the current tax and resource revenue policies (Ongoing)
Action 1.2.2	Ensure the tax system is competitive, fair and promotes self-reliance
Deliverable	Annual report on NWT income tax competitiveness (Ongoing)

1.3 Fiscal Framework

The fiscal framework is an overview of the projected financial position of the Government based on a set of assumptions about revenues, expenditures, and federal transfer payments. In the development of a fiscal strategy, the framework is used as a modeling tool to project the GNWT fiscal position, assuming current policies and trends are maintained, as well as alternate positions based on various policy changes, new policies and new initiatives. The GNWT is continuing its fiscal strategy of containing operating expenditure growth to ensure adequate surpluses to sustainably fund infrastructure investment while keeping borrowing at least one hundred million dollars below the maximum borrowing limit. Also in order to minimize borrowing requirements and servicing costs there is a need to focus on effective cash management including improvement in the accuracy and forecasting of cash projections.

Action 1.3.1	Sustain the GNWTs' long term fiscal position
Deliverable	Include benchmarks in the fiscal framework (Ongoing)
Action 1.3.2	Effective cash management practices
Deliverable	Implement the treasury module in SAM (2016)

1.4 Economic and Fiscal Policy Advice

The Department is responsible for providing fiscal policy research, analysis and advice including implications of economic conditions for fiscal policies and the implications of fiscal policies on the economy. This includes evaluating how various GNWT programs, projects or policies interact with the overall NWT economy, including the implications for the private sector. The Macroeconomic Policy Framework focuses on how economic benefits are distributed between communities, industry, and government revenues and costs. Improved economic investment decision-making requires that this capacity be enhanced to incorporate other economic assessment tools that can better measure outcomes of government decisions.

Action 1.4.1 Use the Macroeconomic Policy Framework to analyze Government investment and policy choices

Deliverable Standard tool available for client use to enhance decision making (Ongoing)

1.5 Budget Process

The budget process consists of all the activities that encompass the development, implementation and evaluation of a plan for the provision of services and infrastructure. These include the development of the fiscal strategy, the business plans, Main Estimates, Budget Address and the presentation and approval of the Main Estimates to the Legislative Assembly. This comprehensive budget process ensures that decision makers make informed choices about the provision of services and infrastructure while promoting stakeholder participation in the process.

Action 1.5.1 Analysis of new program initiatives and results-based budgeting

Deliverable Methodology established to integrate program review recommendations into the budget process (Ongoing)

1.6 Tax Revenues

Petroleum, tobacco and payroll taxes are self-reported, while property tax is invoiced revenue. Each respective tax legislative framework provides certain flexibility to effectively and efficiently administer the collection of self-reported taxes through a system of collectors. The Department will be proposing some legislative changes to tax legislation to ensure it can be as efficient and transparent to companies who ultimately report the taxes due. While self-reporting of taxes through the appointment of collectors requires proactive management, it also transfers much of the administrative burden to the private sector. This system is monitored through risk-based auditing of collectors. The auditing unit is setup on a regional basis with tax auditors in Inuvik, Hay River and Yellowknife.

Action 1.6.1	Amend the Petroleum Products Tax Act (PPTA)
Deliverable	Enactment of revisions to the PPTA (2015)
Action 1.6.2	Amend the Tobacco Tax Act
Deliverable	Enactment of revisions to the Tobacco Tax Act (2015)
Action 1.6.3	Implement a regionally based audit structure
Deliverable	Annual audit plans (Ongoing)

Outcomes – Strategic Goal 1

- **Fiscal Independence by reducing the reliance on federal transfers**
- **Compliance with the performance criteria of the Fiscal Responsibility Policy**
- **Maintain Annual credit rating of the GNWT**
- **Disciplined Government Spending**
- **An effective Macroeconomic Policy Framework used consistently across the GNWT to provide evidence-based analysis for economic investment decision-making**

Strategic Goal 2

Provide the necessary financial information, based on sound fiscal analysis, to support Government policy development and decision making.

A success factor for any organization is to be able to make sound decisions and develop sustainable policies. This requires rigorous fiscal analysis and program evaluation of existing and planned activities. This will be made possible through ensuring the availability of financial information that is relevant, complete, accurate, reliable, timely and available to users.

Objectives

2.1 Integrate the GNWT Macroeconomic Policy Framework and Risk Management Framework into the analysis undertaken to support policy development and decision making.

2.2 Provide relevant, reliable, complete accurate and timely financial information and results to decision makers.

2.3 Integrate activities from the Program Review Office work plan into the GNWT planning and budgeting processes.

Actions

2.1 Policy Development and Decision Making

A variety of financial and policy analysis tools are available for use in the review and development of government policies and programs and for making allocative decisions. The Department provides the data and tools for use by senior managers, program managers, and decision makers, to measure the efficiency, effectiveness, and sustainability of programs and services. The use of two new tools is being further advanced through this Strategic Plan. These are expanded use of the Macroeconomic Policy Framework and the development and use of risk assessment at the department and corporate level.

Although the Department has a role in other departments' initiatives and programs to ensure that GNWT future flows of revenues and possible liabilities are identified, Departments are responsible to implement the initiatives/programs and measure the economic outcomes. Departments need to be provided with the economic tools to increase their capacity to provide evidence-based advice for economic decisions and policies.

Risk analysis considers the strategic, operational and tactical impact of risks associated with government programs and services, and can be used to develop priorities for policy action or financial allocation decisions.

Action 2.1.1	Provide training to clients to use assessment tools developed by Finance
Deliverable	Training sessions provided to clients (Ongoing)
Action 2.1.2	Develop and implement a formal risk assessment process
Deliverable	Development and implementation of a GNWT Risk Management Framework (Ongoing)

2.2 Timely ERP Information

Provide program managers and decision makers with relevant, reliable, complete, accurate and timely information from the GNWTs' Enterprise Resource Planning (ERP) system (financial, procurement and human resources) by leveraging existing and new reporting and analytical functionality and features.

To protect the GNWT's $41 million capital investment and fully leverage the capability from GNWT's Enterprise Resource Planning (ERP) solution, the Department will upgrade both SAM and HRIS. An upgrade (2016/17 – 2017/18) will offer GNWT users with an improved, simple to use and intuitive interface, embedded help, powerful search and enhanced reporting capabilities along with new/improved features and functionality to meet our current and future needs.

Action 2.2.1	Develop a management information reporting strategy to define ERP information requirements for program managers and decision makers
Deliverable	GNWT ERP Reporting Strategy (Fall 2015)
Action 2.2.2	Develop information reporting tools to meet managers' information needs
Deliverable	Enhance ERP reporting functionality and features (Ongoing)
Action 2.2.3	Deliver and promote training for GNWT ERP systems
Deliverable	ERP Training Strategy (Spring 2015)
Action 2.2.4	Replace or integrate standalone GNWT financial, procurement, human resources systems into GNWT's ERP System where feasible
Deliverable	ERP system replacement or integration action plan (Ongoing)

Strategic Goal 2

2.3 Integrate Program Review Office work into government-wide planning

PRO was transferred to the Department of Finance on April 1, 2014. The purpose of this transfer was to integrate PRO activities into a more streamlined government-wide planning process, to enhance the business planning function, and to help ensure sound fiscal management through program review. PRO strives to address these varied demands by focusing its work plan on four major areas: program reviews, capacity building, advisory and support services, and business planning and risk management.

Action 2.3.1	Develop and implement a multi-year work plan
Deliverable	A multi-year work plan that is updated annually (Ongoing)
Action 2.3.2	Provide GNWT employee's quality advice, training and resources in the area of program review, evaluation, program design, and risk management
Deliverable	Tracking of employees trained and advisory services provided (Ongoing)
Action 2.3.3	Coordinate with MBS (Management Board Secretariat) the Departmental business planning process
Deliverable	Comprehensive annual business plans for Departments (Ongoing)
Action 2.3.4	Guide and support Departments through the development of a corporate risk management framework
Deliverable	An integrated business planning function that incorporates departmental risk assessments (All Departments 2015 – 16; then ongoing)

Outcomes – Strategic Goal 2

- **Implementation of the Corporate Risk Management Framework**
- **Management has relevant, reliable, complete, accurate and timely financial, procurement and human resource information**
- **Programs and services that are reviewed, evaluated or audited**
- **Capacity building within the GNWT**

Strategic Goal 3

Oversee the management and protection of the Government's information resources.

Information is a foundational component of all government services and must be safeguarded on behalf of residents, businesses and visitors. We have a responsibility to protect and manage this information in accordance with legislation and policy while at the same time enabling the safe collection and analysis of information to support policy development, program evaluation and service delivery. We have a further responsibility to ensure there are reliable and robust telecommunications and broadband delivery networks in place to support the protection and delivery of information.

Objectives

3.1 Improve online service delivery to NWT residents, businesses and visitors.

3.2 Protect the confidentiality, integrity and availability of information.

3.3 Ensure information is managed in accordance with legislation and policy.

3.4 Ensure we make informed investments in information and communications technology (ICT) and improve performance of our ICT projects.

3.5 Represent the GNWT interests in Broadband and Telecommunications-related activities.

3.6 Ensure government has the statistical information necessary to support policy development, monitoring of socio-economic conditions and program evaluation.

Actions

3.1 Online Service Delivery

Technology has the ability to improve how we deliver programs and services and requires a collaborative approach across all departments to ensure the best usage of our technology resources in a manner which improves program and service outcomes. This requires a coordinated cross-department Strategy with common and consistent approaches to enable online services.

Action 3.1.1	Develop a government-wide ICT Strategy to guide online service delivery and future investments in ICT
Deliverable	ICT Strategy developed and approved (Complete)
Action 3.1.2	Lead implementation of the ICT Strategy
Deliverable	Coordinated implementation of the ICT Strategy (Ongoing)

3.2 Information Protection

Residents, businesses and visitors have a right to expect that Government will protect information collected in the delivery of a program or service. Information must be protected from any/all malicious activity. Safeguarding the availability, integrity, and confidentiality of our information assets is paramount and will be handled with the utmost care and urgency.

Action 3.2.1 Develop and implement a corporate approach to Information Security

Deliverable Information security strategy established (Spring 2015)

Action 3.2.2 Develop a corporate awareness of Information Security principles and best practices

Deliverable Security awareness program developed including communications plan (Fall 2014)

3.3 Information Management

The OCIO has a lead role in ensuring the GNWTs' information assets are managed in accordance with our policy and legislation, while at the same time being able to provide timely and accurate information to decision makers in the delivery of their programs and services. This requires clear understanding of the types of information we collect, store and manage, and the various needs and uses for that information.

Action 3.3.1 Develop a corporate awareness of Information Management principles and best practices

Deliverable Information management program established (Spring 2015)

3.4 Information Management

The Informatics Policy Council (IPC), made up of Deputy Ministers from all departments and the NWT Housing Corporation, has a mandate for overseeing use of our ICT resources, which include ensuring the right investments are made and the necessary management practices are in place to ensure effective and efficient delivery. This requires an effective decision-making framework, incorporating input from all departments and the NWT Housing Corporation as well as providing best practice frameworks and methodologies for the ongoing management and delivery of ICT resources.

Action 3.4.1 Implement a governance framework for ICT investment decisions and oversight

Deliverable ICT policy framework established and approved (Fall 2015)

Action 3.4.2 Develop a corporate approach to Project Management for ICT projects

Deliverable ICT Project Management Office processes defined (Spring 2015)

3.5 Broadband and Telecommunications-related Activities

The telecommunications regulatory environment has changed over the last few years and now encompasses internet/broadband. The Department monitors and participates in Canadian Radio-Television and Telecommunications Commission (CRTC) proceedings as necessary to ensure the interests of NWT residents, businesses and GNWT are fully considered with respect to any decisions the CRTC and/or the Government of Canada may take with respect to telecommunication services. The Department also represents the interests of GNWT on broadband-related matters with the Government of Canada and various industry stakeholders, to advance improvements in the broadband improvements here in the North.

Action 3.5.1	Disclose information about CRTC proceedings and the GNWTs' position to all stakeholders
Deliverable	Timely information on proceedings, disclose the GNWT position (Ongoing)
Action 3.5.2	Monitor CRTC activities and participate in matters affecting the North
Deliverable	GNWT actions on CRTC proceedings (Ongoing)
Action 3.5.3	Develop and implement a policy framework to guide the GNWT in making broadband investment decisions
Deliverable	NWT Broadband policy and strategy established (Spring 2015)
Action 3.5.4	Represent the GNWT in the development of the Government of Canada's new Broadband program
Deliverable	GNWT interests reflected in the new Broadband program (Ongoing)

Strategic Goal 3

3.6 Statistical Information

Timely and accurate statistics are key tools for the government and other organizations to use in making informed decisions. Developing policies, monitoring programs and identifying emerging issues are all facilitated with the availability of quality data and analysis.

Action 3.6.1	Develop, interpret and disseminate economic, social and demographic statistics
Deliverable	Reporting on the range of available statistics (Ongoing)
Action 3.6.2	Provide statistical advice and expertise to departments, boards, Aboriginal Governments and the public
Deliverable	Form and maintain partnerships with organizations to provide statistical analysis (Ongoing)
Action 3.6.3	Represent territorial interests within the national statistical system
Deliverable	Participation on the Council for Statistical Policy and its sub-committees (Ongoing)

Outcomes – Strategic Goal 3

- **Effective and efficient use of Information and Communications Technology**
- **Improved client satisfaction with Electronic Service Delivery**
- **Ensure protection and security of information through online services**
- **Ensure NWT participation in Federal Regulatory matters impacting the North**
- **Ensure NWT participation in Federal Broadband programs**
- **Relevant statistical information**

Strategic Goal 4

Ensure that the programs and services delivered by Finance are responsive to client needs.

The Department provides a range of services to a variety of clients, both internal and external to the Government. A client focus is critical for programs and services to be successful and relevant. Although a central agency, the Department also delivers services that have an impact on the public, including the operations of both the NWT Liquor Commission and Liquor Enforcement.

Objectives

4.1 Develop and maintain client focused service functions dedicated to meeting client needs and continuous improvement.

4.2 Enhance the Government's ERP systems ability to conduct business with clients electronically.

4.3 Ensure business processes for all clients are clear, well-defined and easy to understand.

4.4 Increase NWT residents' knowledge and change behaviour about the socially responsible consumption of beverage alcohol.

4.5 Operate the NWT Liquor Commission in a responsible, fair and ethical manner.

Actions

4.1 Client Focused Service Functions

The GNWT has adopted a shared services business model founded on standardization, and electronic self-service. The Department is fostering a client-centric service culture, while respecting the guiding principles of the shared services business model. GNWT ERP systems functionality will be leveraged to drive continuous improvement, improved business processes and efficiencies, as well as a focus of improving service delivery both internally to GNWT employees and externally to suppliers and citizens.

Action 4.1.1	Establish and define client focused governance structures for financial transaction processing, payroll and benefits services, information services, collections services, accounting services, internal audit services, program evaluation services and project management services
Deliverable	Governance structures operational (Ongoing)
Action 4.1.2	Develop, maintain and report on Service Partnership Agreements
Deliverable	Adherence to approved Service Partnership Agreements (Ongoing)

Action 4.1.3	Establish a corporate-level approach to process improvement and service innovation
Deliverable	Approved approach to monitor, track and evaluate improvements/innovation (Ongoing)

4.2 GNWT SAM System

Implement new and leverage existing functionality within GNWTs' SAM system to support paying vendors for goods and services, receiving payments from customers and at the same time improving our overall vendor and customer satisfaction.

Action 4.2.1	Enhance the Government's payment systems to fully implement electronic funds transfers to clients
Deliverable	Implement eSettlement functionality to support a procure to pay solution (Ongoing)
Action 4.2.2	Expand the capacity of the Government to receive electronic payments and documents from clients
Deliverable	Improved online payment and document submission options for customers (Ongoing)
Action 4.2.3	Working with Public Works and Services, implement eProcurement to support procurement activities across the GNWT and improve vendor satisfaction
Deliverable	Implement eProcurement functionality (Ongoing)

4.3 Business Processes

One of the benefits of the shared services model is standardized business processes in order to avoid duplication and unnecessary processes. Under the shared services model each party has certain responsibilities under each business process in order to complete a transaction. This requires that user groups are involved in the development and modification of business processes to ensure the processes are clear, well-defined and easy to understand for all users.

Action 4.3.1	Establish and publish business processes plain language
Deliverable	Business processes that are easy to understand by users (Ongoing)
Action 4.3.2	Develop a process to obtain regular feedback from users
Deliverable	Process in place to collect and respond to feedback (Ongoing)
Action 4.3.3	Establish a process to disseminate changes in established processes
Deliverable	Governance Committee in place to review and approve changes (Ongoing)

4.4 Alcohol Consumption

The GNWT plays a role in the socially responsibly consumption of beverage alcohol. The GNWT is accountable to provide a legislative framework, policies, educational programs and tools to support residents in the responsible use of liquor in the NWT. The educational initiatives, campaigns and programs should focus on supporting informed choices, responsible drinking and knowledge of the legislative framework surrounding use of liquor.

Action 4.4.1	Implement new social responsibility programs focusing on alcohol education and prevention
Deliverable	Development and implementation of a long term social responsibility program including new programs (Ongoing)
Action 4.4.2	Develop a long term marketing program to promote the responsible use of beverage alcohol in the NWT
Deliverable	Adoption and promotion of low risk drinking guidelines (Ongoing)
Action 4.4.3	Promote the proper use of alcohol
Deliverable	Development of a communication plan to licenses, stores and the public (Ongoing)

4.5 Liquor Commission Operations

The NWT Liquor Commission (NWTLC) is established under the NWT Liquor Act and has the mandate to purchase, sell, classify and distribute liquor in the NWT. The success of the NWTLC is not measured in financial performance alone, but also by focusing on efficient operations, compliance with the legislative framework, social responsibility to guide their day to day operations. The NWTLC aims to be a responsible industry partner as well as operate in a fair and transparent manner.

Action 4.5.1	Deliver ongoing training for liquor store operators and employees.
Deliverable	Develop training calendars and schedules (Ongoing)
Action 4.5.2	Continually update product selection based on sales and customer feedback.
Deliverable	Product selection based on customer expectations (Ongoing)
Action 4.5.3	Continue to stay up to date with current trends and industry standards.
Deliverable	Active membership in the Canadian Association of Liquor Jurisdictions (Ongoing)

Strategic Goal 4

Outcomes – Strategic Goal 3

- Compliance with performance criteria within Service Partnership Agreements
- Ability to continuously improve service delivery and related business processes
- Promotion of alcohol awareness campaigns
- Operations are managed efficiently and comply with legislation, regulation and policy

Strategic Goal 5

Maintain a financially transparent and accountable Government so that there can be public confidence in the prudence and integrity of Government operations.

Governments are fully accountable and responsible to the public to demonstrate that the financial resources which it has been entrusted to manage have been used prudently and for the purposes intended. The public should have a view into the Government's fiscal planning and receive full disclosure of the use of financial resources.

The GNWT does this by providing the Legislative Assembly with comprehensive fiscal information including a fiscal framework, borrowing plan, infrastructure plan, operations plan, and a comprehensive analysis of the GNWT financial health including a synopsis of the Public Accounts.

Objectives

5.1 Provide the public with full disclosure of Government fiscal plans.

5.2 Provide the Legislative Assembly with comprehensive financial information about the Government's fiscal plans.

5.3 Provide accurate and timely information on the Government's fiscal performance compared to its plan.

5.4 Provide a comprehensive policy and legislative framework for financial management and operations based on accountability.

5.5 Enhance the transparency and accountability of large scale capital projects being procured as a Public-Private Partnership (P3).

Actions

5.1 Fiscal Plans – Public Disclosure

The GNWT has limited resources and revenue generating capacity and must therefore ensure that those resources are directed in a manner consistent with the concerns, needs and priorities of stakeholders. The Department promotes stakeholder participation in discussing and communicating values and issues that are of concern to them.

Action 5.1.1	Undertake periodic budget consultations with the public
Deliverable	Annual consultations on the GNWT budget (Ongoing)
Action 5.1.2	Provide the public with the fiscal outlook for the GNWT annually.
Deliverable	Fiscal review as part of the Budget and a Fiscal Update (Ongoing)

5.2 Fiscal Plans – Legislative Assembly

The Main Estimates, or the budget, is the final outcome of the GNWT budget development process. The budget provides the revenues and expenditures and highlights the objectives of government during the fiscal year. The Legislative Assembly, through its processes, provides for an effective allocation and control of the spending of budgetary resources. It is necessary that the GNWT Main Estimates and its ancillary documents are provided to the Assembly with sufficient lead time such that an appropriate review can be completed.

Action 5.2.1 Provide the Legislative Assembly with fiscal framework updates, a borrowing plan, an infrastructure plan and budget plan

Deliverable Fiscal update, borrowing plan, infrastructure and budget plan all provided to the Legislative Assembly at least 10 business days before review (Ongoing)

5.3 Fiscal Performance

The Public Accounts report on the financial position and results of the operations of the GNWT for a fiscal year. The financial health of a Government is its financial health as measured by sustainability, vulnerability and flexibility, looked at in the context of the overall economic and financial environment. The GNWT is committed to reporting on the fiscal performance of the GNWT through the Public Accounts and providing further information to assist readers in their assessment of the GNWT's financial health.

Action 5.3.1 Complete the GNWT Public Accounts for tabling in the fall Session of each year

Deliverable Interim Public Accounts provided to the Legislative Assembly by August 31st each year and the tabling of the Public Accounts in each fall session (Ongoing)

Action 5.3.2 Assist the public in understanding the Government's financial position

Deliverable Public Accounts include an analysis of relevant financial indicators (Ongoing)

5.4 Fiscal Plans – Legislative Assembly

The Financial Administration Act (FAA) is intended to provide a legislative framework for the effective and efficient stewardship of GNWT resources including the accountability requirements for the management and use of those resources. The framework is further extended through regulations under the FAA, the Financial Administration Manual (FAM) which includes financial policies, directives, guidelines and procedures.

The Department will be amending the legislative and policy framework in order for an improved focus on accountability, transparency and fiscal responsibility in the stewardship of government resources.

Action 5.4.1	Implement a new Financial Administration Act (FAA)
Deliverable	Revised FAA enacted (2015)
Action 5.4.2	Complete and implement a new principle based Financial Administration Manual (FAM)
Deliverable	Revised principle based FAM in place (2016)
Action 5.4.3	Complete and implement a new framework of financial directives and procedures in conjunction with revised FAA and FAM
Deliverable	Framework of procedures/directives in place (2016)

5.5 Public-Private Partnerships

P3's are a way for governments to obtain and utilize infrastructure by partnering with the private sector and assign project risks to the partner best able to manage it. The Department of Finance established a P3 Policy and Management Framework in 2011 that applies to all GNWT P3 projects to provide guidance for these partnerships. The Department needs to ensure that capital projects that proceed under the P3 process are as transparent as possible to the public and the Legislative Assembly. The entire P3 process should be transparent, accountable and ensure that public control is preserved. In order to ensure these objectives for P3 projects are adhered to the Department will play a role in all GNWT P3 projects. .

Action 5.5.1	Undertake the Mackenzie Valley Fibre Link as a P3 project
Deliverable	Mackenzie Valley Fibre Link Project Agreement (2014)
Action 5.5.2	Collaboratively work with the Departments of Health and Social Services and Public Works and Services to undertake the Stanton Territorial Hospital Renewal as a P3 project
Deliverable	Stanton Renewal proceeds in accordance with the P3 Policy and Management Framework (Project Agreement – 2015)
Action 5.5.3	Establish legislation for the transparency and accountability of P3 Projects
Deliverable	Enactment of P3 Legislation (2015)

Strategic Goal 5

Outcomes – Strategic Goal 5

- Annual tabling of GNWT fiscal framework and borrowing plan
- Conducting and tabling results of public Budget consultations
- Timely tabling and public review of the Public Accounts

Northwest Territories Finance

Strategic Action Plan
2014 – 2019

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